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TO RUEHSN/AMEMBASSY SAN SALVADOR PRIORITY 0000
INFO RUETIAA/DIRNSA FT GEORGE G MEADE MD 0000
RUEAIIA/CIA WASHINGTON DC 0000
RHMCSUU/FBI WASHINGTON DC 0000
RUEKJCS/SECDEF WASHINGTON DC
RUCPDOG/USDOC WASHINGTON DC 0000

UNCLAS STATE 003925

SIPDIS
SAN SALVADOR FOR BRENT CHRISTENSEN

E.O. 12958: N/A
TAGS: [ETTC](#) [KOMC](#) [ES](#)
SUBJECT: DEMARCHE REQUEST: POSSIBLE UNAUTHORIZED
RETRASNFER AND RE-EXPORT OF U.S.-ORIGIN FIREARMS BY POLICE
OF EL SALVADOR AND CENTRUM S.A.

REF: A. 08 STATE 103371
[1](#)B. 08 SAN SALVADOR 1266
[1](#)C. EMAIL BBEROUD-KBALLARD OF 11 DEC 2008

[1](#)1. This is an Action Request. Please see paragraph 6.

BACKGROUND

[1](#)2. The Department's Office of Defense Trade Controls (PM/DTCC) has recently obtained information indicating that the Policia Nacional Civil (PNC) of El Salvador has entered a "swap agreement" with Salvadoran company, Centrum S.A. The terms of this agreement may lead to the unauthorized retransfer of U.S. Munitions List (USML) firearms if proper Department authorization is not sought and granted. PM/DTCC has also obtained information indicating that Centrum S.A. plans to re-export to a third country the U.S. Munitions Listed firearms obtained through said agreement. This may lead to an unauthorized re-export if proper Department authorization is not sought and granted. If unauthorized, these activities would constitute violations of the Arms Export Control Act (AECA) and its implementing regulation, the International Traffic in Arms Regulation (ITAR).

[1](#)3. A pre-license Blue Lantern end-use monitoring check was initiated on export license application 050124009 due to a "swap agreement" between the PNC and Centrum S.A. mentioned on the import authorization issued by the National Defense Minister of El Salvador (REFTEL A). Post conducted the Blue Lantern check and discovered that the "swap agreement" referred to an agreement whereby the PNC would provide 4,598 previously imported firearms as payment to Centrum S.A. for 1,000 new Beretta 9mm pistols. According to Embassy San Salvador, of the 4,598 firearms to be used as payment, 155 were Browning 9mm pistols and 515 were Smith & Wesson .38 caliber revolvers (REFTEL B). According to documentation provided to Embassy officials by the PNC, a significant quantity of these commodities are USML defense articles that were exported to the PNC in 1994 (REFTEL C). Department of Commerce-controlled shotguns and non-U.S.-origin firearms are also part of the swap agreement.

[1](#)4. Centrum S.A. informed Embassy officials that the company plans to re-export the firearms it obtains in the swap agreement to Guatemala and Nicaragua. Any re-export of USML without proper authorization from the Department of State is a violation of part 127.1 of the ITAR. To date, PM/DDTC has no record of a request for authorization for such re-export.

[1](#)5. Post is instructed to ask appropriate officials of the Government of El Salvador (GOES) to assure no unauthorized

retransfers and/or re-export occur.

ACTION REQUESTED/TALKING POINTS

¶6. ACTION REQUEST FOR EMBASSY SAN SALVADOR: Post should engage the Government of El Salvador (GOES) and Centrum S.A. on the possible unauthorized retransfer and re-export of USML firearms with the objectives below.

(TO OFFICIALS OF THE GOES)

-- The U.S. Office of Defense Trade Controls (PM/DTCC) has information indicating that the Policia Nacional Civil (PNC) is engaged in a "swap agreement" with Centrum S.A. whereby the PNC will provide 4,598 used firearms in exchange for 1,000 new Beretta 9mm pistols. PM/DTCC is aware that a significant quantity of these used firearms were originally imported by the PNC from the United States.

-- Transfer to a third party of any U.S. Munitions List (USML) defense articles requires USG permission pursuant to obligations set forth in part 123.9 of the ITAR (Note: the ITAR is available at www.pmdtdc.state.gov/regulations_laws/itar_official.html). The retransfer of USML firearms pursuant to this swap agreement is subject to this requirement.

-- We urge you to refrain from retransferring or re-exporting USML defense articles without appropriate authorization from the U.S. Department of State.

-- We urge you to seek authorization by submitting the proper information listed in part 123.9 of the ITAR.

-- Failure to take these actions may constitute a violation of U.S. law and may have an adverse effect on PNC access to USML.

(TO CENTRUM S.A.)

-- The U.S. Office of Defense Trade Controls (PM/DTCC) has information indicating that Centrum S.A. is engaged in a "swap agreement" with the Policia Nacional Civil (PNC) whereby the PNC will provide 4,598 used firearms in exchange for 1,000 new Beretta 9mm pistols. PM/DTCC is aware that a significant quantity of these used firearms were originally imported from the United States and that Centrum intends to re-export these firearms to a third country.

-- Re-export to a third country of any USML defense articles requires USG permission pursuant to obligations set forth in part 123.9 of the ITAR. The re-export of USML firearms obtained through the swap agreement with the PNC would be subject to this requirement.

-- We urge you to refrain from any re-export of U.S.-origin firearms that has not been authorized by the U.S. Department of State.

-- We urge you to seek authorization by submitting the proper information as explained in part 123.9 of the ITAR.

-- Failure to take these actions may constitute a violation of U.S. law and may affect pending and future licenses to which you are party.

END TALKING POINTS

¶7. Please slug reply for PM/DTCC Kyle M. Ballard.

¶8. Department is grateful for Post's assistance in this matter.

RICE